

HOUSE BILL REPORT

SSB 5254

As Reported by House Committee On:
Higher Education
Appropriations Subcommittee on Education

Title: An act relating to industry skill panels.

Brief Description: Authorizing a grant program for industry skill panels.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Kastama, Fairley, Rockefeller, Kauffman, Marr, Hatfield, Weinstein, Keiser, Sheldon, McAuliffe, Eide, Kohl-Welles, Shin, Murray, Tom, Regala, Spanel and Kline).

Brief History:

Committee Activity:

Higher Education: 2/20/08, 2/25/08 [DP];

Appropriations Subcommittee on Education: 2/28/08 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House Committee)**

- Directs the Workforce Training and Education Coordinating Board (WTECB) to allocate grants to support Industry Skill Panels. The WTECB must establish standards to evaluate the products and services created by skill panels.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 7 members: Representatives Wallace, Chair; Sells, Vice Chair; Hasegawa, Jarrett, McIntire, Roberts and Sommers.

Minority Report: Do not pass. Signed by 3 members: Representatives Anderson, Ranking Minority Member; Hankins and Schmick.

Staff: Andi Smith (786-7304).

Background:

Industry Skill Panels (Panels) are regional alliances of businesses, labor, and education and training providers in key industry clusters. The Panels assess skill gaps in an industry and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

design and implement strategies to close those gaps. The formation of Panels is overseen by the Workforce Training and Education Coordinating Board (WTECB). They work in conjunction with Centers of Excellence organized by the State Board for Community and Technical Colleges and have relied on funding from the federal Workforce Investment Act. Washington was the first state in the nation to create a system of such panels and serves as a mentor to other states. There are no Panels in many key industry clusters.

The WTECB has an established competitive process used to identify organizations interested in convening Panels. In the 2007-09 biennium, the WTECBs plans to distribute \$540,000 over a period of 21 months. Each granting organization must show an employer match of at least 25 percent.

The WTECB requires grantees to link proposals to regional cluster strategies. Panels focus on industries for which there is a regional concentration of firms or employment, and on employment opportunities which result in family wage jobs. The WTECBs ability to distribute grants is tied to the receipt of federal funds.

Summary of Bill:

The WTECB is to allocate grants on a competitive basis to establish and support Panels. Workforce development councils, community and technical colleges, economic development councils, private career schools, chambers of commerce, trade associations, and apprenticeship councils may apply for grants. Applicants must provide an employer match of at least 25 percent to be eligible.

Panels are to identify strategies and solutions for addressing workforce skill needs. The WTECB is to establish standards that identify the expectations for Panel products and services. Continued funding depends upon meeting the standards. The WTECB is to report results annually to the Governor and Legislature. In addition, the definition of "Industry Skill Panels" is put into statute.

The WTECB has already been allocating grants for the development of skill panels since 1999. The bill adds this responsibility to the WTECBs statute.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) Skill panels have been operating in the state since the year 2000. The benefit of the skill panels is that disparate groups are brought together in a formal way to address skill

gaps. Their charge is to look into the future to get education to plan longer term and respond appropriately. The industry/school relationships formed in industry panels tend to last longer than the term of a contract and are extremely valuable in helping institutions respond to the needs of industry.

(Opposed) None.

Persons Testifying: (In support) Eleni Papadakis, Workforce Training and Education Coordinating Board.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Majority Report: Do pass as amended. Signed by 15 members: Representatives Haigh, Chair; Sullivan, Vice Chair; Barlow, Fromhold, Haler, Herrera, Hunter, Jarrett, Kagi, Kenney, Ormsby, Quall, Seaquist, Springer and Wallace.

Minority Report: Do not pass. Signed by 3 members: Representatives Priest, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Crouse.

Staff: Debbie Driver (786-7143).

Summary of Recommendation of Committee On Appropriations Subcommittee on Education Compared to Recommendation of Committee On Higher Education:

A null and void clause was added, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Requested on February 25, 2008.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) The Industry Skills Panels meet specific workforce needs in specific industries across the state. These panels have had a positive impact on the state. The bill codifies a grant program that currently exists and was funded in the 2007-09 biennial budget. Passing this bill will result in an increased level of state accountability with regards to the program.

(Opposed) None.

Persons Testifying: Madeleine Thompson, Workforce Training & Education Coordinating Board.

Persons Signed In To Testify But Not Testifying: None.